

STAT

4 October 1973

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MEMORANDUM FOR: [REDACTED]

SUBJECT: Murphy Commission

I had a meeting this morning with [REDACTED] of the staff of the Commission. Tom's account is the Intelligence Community.

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The Commission plans to hold meetings on intelligence in November. Colby will be called. [REDACTED] is in the process of drafting a written request to Colby for information so that the Commission will have some background when it takes testimony from him.

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The attached is [REDACTED] current draft. I think it will be modified substantially before it is sent. Since the Commission's charge is to study the organization of the government for the conduct of foreign policy, there will probably be some additional questions on organization and management.

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[REDACTED] is new to this whole community business and does not know quite which way to move. He wondered who should be invited to testify besides Colby. I suggested Hall. They may also ask Allen and de Poix.

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The Commission will meet in Senator Mansfield's offices to take testimony. Mansfield is all hot to get dollar figures for the community exposed at least to the Commission--if not to the public. He has entered some figures in the record already--indicating

[REDACTED]

Dept of State review(s) completed.

NSC Referral Not Required

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I encouraged [] to get permission to come out for a generalized briefing on the community. When Colby met last week with Francis Wilcox and Fisher Howe (Staff Director and Deputy Staff Director), he made O/GC the official contact, and offered every assistance. If [] had more background, he could probably formulate better questions.

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P. S. I've asked [] to look over the attached to see whether he has suggestions which might help orient the letter to Colby.

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IC/CCG/[]

Distribution:

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In preparing for such a meeting, the Commission believes it would be especially in advance and thus make the discussion more profitable. We hope that your statement will touch upon the following questions, in addition to any other matters which you regard as of major importance.

I. In your capacity as Director of Central Intelligence, how do you define your responsibilities with regard to the entire intelligence community? For instance:

-- To what extent do you now have the authority to determine the budget and manpower needs of the various agencies?

-- How do you go about reducing duplication and ensuring cooperation between the community components?

-- What are the positive and negative aspects of having several agencies competing in the collection and analysis of certain subjects, such as military-strategic matters?

-- In your current reorganization of the process by which National Intelligence Estimates are written and coordinated, how do you propose to ensure the continued objectivity of the analysis? To deal with institutional biases, dissents, and the drafting itself?

-- How is the Intelligence Community adjusting to the President's directives on declassification and downgrading procedures? What problems do you foresee in maintaining tight security and preventing unauthorized leaks in the future?

II. With respect to the CIA, how do you see its mission changing in the 1970s? For example,

-- In the aftermath of the Cold War, is the CIA changing its basic priorities and targets? How is the CIA adapting to new demands for intelligence on such subjects as economic matters, energy problems, the environment, the narcotics business, etc.?

-- What are the major organizational and operational problems you have encountered in exercising the role of DCI? Do you see a need for legislative changes to improve the position of the DCI?

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the nature and scope of such programs are under frequent attack.
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within the US, do you see a continuing need for covert action operations? If so, should they be handled in the same agency as intelligence collection and analysis? What criteria should be established before the approval of covert action?

-- What is the extent of the CIA's domestic activities and operations? Do you see a need for new procedures or limits on such activities? How would you categorize the CIA's current relationship with the FBI?

-- Is the CIA keeping up with the latest technological innovations, including the use of computers? Are you confident that the CIA can monitor the SALT Agreements, present and future?

-- How do the CIA's principal consumers levy requests on the Agency? Is there sufficient communication back and forth with the White House? Are you confident that key policy makers understand the role that exposure to intelligence can play in policy formulation? To what extent does the CIA have to sell its analytical products?

-- How does the CIA come up with collection requirements for Stations overseas? Can this process be improved so that users are obliged to state what they need, and field elements are persuaded to take requirements more seriously? Does the CIA have any difficulty in dealing with the masses of data it receives daily?

III. Within the government, what are the checks and balances on CIA activities? For instance,

-- How is the 40 Committee composed and how is it determined which covert activities will be submitted to it for approval?

-- How often are you called upon to discuss organizational matters with the Armed Services and Appropriations' Committees in the House and Senate?

-- How does the CIA keep the President's Foreign Intelligence Advisory Board informed of its activities, and how responsive is the CIA to recommendations of the Board?

-- What kinds of activities of CIA stations overseas are subject to approval by the Ambassadors? Do some Ambassadors prefer to remain ignorant of CIA initiatives?

-- To what extent do you think the CIA should be accountable to the general public? Would it be useful to the Agency to make an effort to improve its public image?

IV. What do you see as the principal obstacles, in terms of organization, procedures, and institutions, to the CIA's internal efficiency and performance? For example:

-- How do you reconcile the need for compartmentation, for security reasons, with the principle of cross-fertilization?

-- How would you characterize the quality of communication, both upward and downward, within the CIA? How could it be improved?

-- Do you believe that the Agency has become increasingly bureaucratized over the years? How do you make sure that individual employees and offices do not settle into rigid patterns of behavior?

-- Does the CIA have a problem these days in recruiting and retaining the kinds of employees it needs?

-- What steps is the CIA taking to provide equal opportunity employment for women and minority groups? How many women and Blacks have reached the grade, GS-15?

-- What is the CIA policy on selection-out? On making sure that its best young officers get ahead rapidly?

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I. In your capacity as Director of Central Intelligence, how do you define your responsibilities with regard to the entire intelligence community? For instance:

-- *What is the Intelligence Community? Why do you call it a community?*
-- To what extent do you now have the authority to ~~determine~~ *adjust* the budget and manpower needs of the various agencies?

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-- How do you go about reducing duplication and ensuring cooperation between the community components?

-- What are the positive and negative aspects of having several agencies competing in the collection and analysis of certain subjects, such as military-strategic matters?

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-- *How* In the aftermath of the Cold War, is the CIA changing its basic priorities and targets? How is the CIA adapting to new demands for intelligence on such subjects as economic matters, energy problems, the environment, the narcotics business, etc.?

-- What are the major organizational and operational problems you have encountered in exercising the role of DCI? *What do you need for legislative authority to improve the position of the DCI?*
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operations? If so, should they be handled in the same agency as
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inform the approving officials of the possible consequences of a course of action?

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operations? Do you see a need for new procedures or limits on
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the role that exposure to intelligence can play in policy formulation?

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IV. What do you see as the principal obstacles, in terms of organization, procedures, and institutions, to the CIA's internal efficiency and performance? For example:

What is being done to simplify compartmentation control
-- How do you reconcile the need for compartmentation, for *and to improve desirable cross-fertilization of ideas, information, and personnel?* security reasons, with the principle of cross-fertilization?

-- How would you characterize the quality of communication, both upward and downward, within the CIA? How could it be improved?

-- Do you believe that the Agency has become increasingly bureaucratized over the years? How do you make sure that individual employees and offices do not settle into rigid patterns of behavior?

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-- What steps is the CIA taking to provide equal opportunity employment for women and minority groups? How many women and Blacks have reached the grade, GS-15?

-- What is the CIA policy on selection-out? On making sure that its best young officers get ahead rapidly?

What resource requirements do you anticipate for the future role of intelligence?

What changes do you anticipate in the role and emphasis of intelligence?

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19 September 1973

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MEMORANDUM FOR:

1. The Murphy Commission (joint executive congressional body studying foreign policy) on which I reported at our staff meeting concerning Cline's appearance, is beginning to make its first excursions into the issues assigned. A former ONE employee is now working on that Commission and has made overtures to OMB for certain clearances and other data on the Intelligence Community. The position of OMB is that the Commission should deal with Bill Colby as regards access to intelligence and they propose to so advise in a meeting scheduled for today.

2. It is unclear to me whether the DCI has focussed on the likelihood of this Commission probing the intelligence support to foreign policy, although as you know we alerted him to the Cline response to Mansfield, who is a member of the Commission. Bob Murphy, former State Department and PFIAB Board Member, is on the Commission and he may make overtures to Bill Colby for specific support. I believe it would be constructive to suggest that Mr. Colby make a point of contact for dealing with the Commission, both in Community matters and in terms of the CIA. This is therefore a subject you should raise possibly at the morning meeting.

3. For your information, I have assigned as a person on this staff to acquaint himself with the Commission's interests and orientations -- from a distance -- and to be the person who deals with the OMB on this subject should there be a dialogue develop between ourselves and OMB. I believe that we can carry this account for you and will keep you fully alerted.

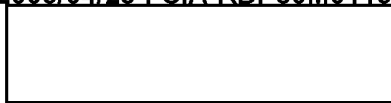
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OGC has the action on this with an injunction to "work out a modus operandi"

MEMORANDUM FOR:



*I've passed this
comment on to*



*fine for
K&P with
file. me*

(DATE)

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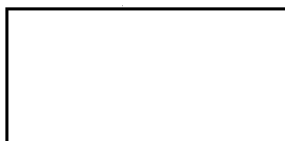
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FROM THE DESK OF COMPTROLLER
U. S. INTELLIGENCE COMMUNITY

STATINTL

19 October 1973



Re AD/DCI/IC note of 17 Oct. on IC responsibility to prepare strawman in response to Murphy Commission.

25X1A

I have scheduled a meeting with OGC, O/PPB on this subject and on formulating a response to the Commission's requests to Bill. will begin with a review of the Director's testimony at confirmation hearing which should provide a key input to our response and with simplicity DCI has requested. He will coordinate a draft response inside IC Staff.

25X1A

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I will keep you both advised and produce a product in the course of the next 10 days or so.

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I: dont let work too hard first time around

The "Murphy Commission"

1. The Commission on the Organization of the Government for the Conduct of Foreign Policy receives its authority from the Foreign Relations Authorization Act of 1972 (PL 92-392 July 13, 1972). It is a joint Presidential-Congressional Commission (membership at Tab A).
2. The Commission is charged to submit to the Congress and the President findings and recommendations to provide a more effective system for the formulation and implementation of the Nation's foreign policy. The Commission is to study and investigate the organization, methods of operation, and powers of all departments, agencies, independent establishments, and instrumentalities of the government which participate in the formulation and implementation of US foreign policy.
3. The Commission is authorized to hold hearings, subpoena witnesses and secure information directly from any executive department or agency. It may make recommendations with respect to the reorganization of the departments, the achievement of better executive-legislative co-ordination, the improvement of procedures, and the abolition of services, activities and functions not necessary to the efficient conduct of foreign policy.
4. In its "Tentative Program" the Commission said: "In anticipation of their appearances before the Commission, and to assist in the exploration of the subject, departments, agencies, and experts will be asked to submit reports addressing important questions into which the Commission will want to delve."
5. The original plan was to conduct hearings on the Intelligence Community in February 1974, but that date has been changed to 19 November 1973. This is only a small part of the Commission's entire program. My source tells me that the State Department and its subsidiaries are the subject of much greater interest. Indeed, on 15 and 16 October the Commission took testimony from USIA, AID, and the Peace Corps. Following the DCI, but not in this order, will be the NSC, OMB and the White House, Defense (17 December), State (when Kissinger can make it), the Congressional process, and so forth. There have already been some preliminary hearings with State.

6. The Staff of the Commission is arranged as follows:

- a. State - Bill Bacchus
- b. Defense - Paul Schratz (Capt, USN, Ret.)
- c. Congress - Roger Majak
- d. Intelligence - [REDACTED]
- e. Asst. General Counsel - [REDACTED]
- f. Staff members at large - Margie Vanderhye and Bill Carter (son of Ambassador Beverley Carter - Tanzania).

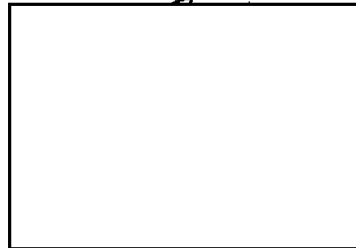
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7. The major interest in the Intelligence Community is to determine how it serves the policymaker. To do this the Commission will examine organization, procedures, relationships, and authorities. It is not yet clear how many witnesses will be called from the Intelligence Community.

8. When the law was written, the Agency managed to insert in the House version language which gave the DCI the right to protect sources and methods. OLC is digging this out for me. It appears, however, that on most grounds the Commission has all of the authority it needs to ask questions and expect good answers.

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Attachment



Commission Members

The Commission is composed of 12 members; four each appointed by the President of the Senate, the Speaker of the Senate, the Speaker of the House, and the President. The members are:

President	THE HONORABLE ROBERT D. MURPHY - <u>Chairman</u> Corning Glass International New York, New York
Senate	THE HONORABLE JAMES B. PEARSON - <u>Vice Chairman</u> United States Senate
President	DR. DAVID M. ABSHIRE Chairman, Center of Strategic & International Studies, Georgetown University
President	MRS. ANNE ARMSTRONG Counsellor to the President White House
President	THE HONORABLE WILLIAM J. CASEY Under Secretary for Economic Affairs Department of State
Senate	MRS. CHARLES W. ENGLEHARD, JR. Far Hills, New Jersey
House	MR. AREND D. LUBBERS President, Grand Valley State College Allendale, Michigan
Senate	MR. FRANK C. P. McGLINN Executive Vice President Fidelity Bank Philadelphia, Pennsylvania

House THE HONORABLE WILLIAM S. MAILLIARD
 House of Representatives

Senate THE HONORABLE MIKE MANSFIELD
 United States Senate

House DR. STANLEY P. WAGNER
 President, East Central State College
 Ada, Oklahoma

House THE HONORABLE CLEMENT J. ZABLOCKI
 House of Representatives

COMMISSION STAFF

FRANCIS O. WILCOX - Executive Director
of the Commission

FISHER HOWE - Deputy Executive Director

WILLIAM B. SPONG, JR. - General Counsel
to the Commission

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MEMORANDUM FOR: [REDACTED]

Re: Murphy Commission

Attached is a memorandum which I prepared at [REDACTED] request. It gives some feel for commission authorities, etc.

cc: [REDACTED]

Sm. [REDACTED] -

[REDACTED] has now received your instructions to get on your

10/18/73

(DATE)

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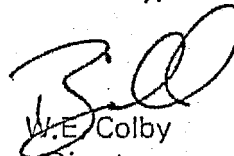
November 7, 1973

The Honorable Robert D. Murphy, Chairman
Commission on the Organization of the Government
for the Conduct of Foreign Policy
2025 M Street, N.W.
Washington, D.C. 20506

Dear Ambassador Murphy:

In response to your letter of October 15 I have developed the attached statement which provides an overall response to the matters you suggested for coverage in my presentation to the Commission in November. I developed this in unclassified form, as I believed it the most useful vehicle to stimulate future questions and thoughts by the Commission members in the actual hearing. I am certainly prepared to go into classified matters during the hearing itself, or in any follow-up studies of more detail which might be needed as you proceed toward your final report.

Sincerely,


W.E. Colby
Director

STATEMENT BY THE DIRECTOR OF CENTRAL INTELLIGENCE

First, let me confirm your assumption about what the national intelligence program is. Our intelligence process includes the collection and analysis of information in order to produce what we call "finished intelligence." We use overt, covert, technical, human, passive, and active collectors. The information collected is then "processed"-- that is, it is recorded, compared with other information, and subjected to the appropriate techniques of scientific examination such as photographic interpretation, electronic analysis, and decryption. This "processing" of information is followed by what we call the "production" of "finished" intelligence -- in the form of reports, studies, and estimates which reflect the highest intellectual evaluation which we can bring to bear upon all the bits and pieces of fact and impression at our disposal. The entire intelligence process which I have described relates to foreign intelligence and counterintelligence, although a number of steps in the process obviously have to take place in the United States. In addition to collection, processing, and production, from time to time CIA also conducts other activities related to intelligence affecting the national security, as directed by the National Security Council.

The current organization of the Intelligence Community is reflected in the President's directive of 5 November 1971. It called for the following:

- That the Director of Central Intelligence (DCI) provide leadership to all foreign intelligence activities of the United States Government.
- That there be established a National Security Council Intelligence Committee (NSCIC).^{*} The purpose of the NSCIC is to give direction and guidance on national substantive intelligence

^{*}Members are: The Assistant to the President for National Security Affairs (Chairman), the Under Secretary of State, the Deputy Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and the DCI.

needs and to provide for the continuing evaluation of intelligence products from the viewpoint of the intelligence consumer.

- That the Intelligence Resources Advisory Committee IRAC be formed.* This Committee is advisory to the DCI in his management role. It helps him develop the annual National Foreign Intelligence Program Budget Recommendations which are sent by the DCI to the President--Recommendations which may concern any of the foreign intelligence expenditures of the United States Government.
- That the United States Intelligence Board (USIB)** be reconstituted to include a representative of the Secretary of the Treasury, and that it continue to advise and assist the DCI in his substantive leadership role with respect to the Intelligence Community.

Not addressed by that directive but continuing to operate is the so-called Forty Committee.*** This body provides policy guidance on activities related to intelligence affecting the national security, as directed by the National Security Council.

**Members are: the DCI (Chairman), and one senior representative each from the Department of Defense, the Department of State, the Office of Management and Budget, and CIA.*

***Members are: The DCI (Chairman); the DDCI; the Director of the Bureau of Intelligence and Research, State Department; the Director of the National Security Agency (NSA); the Director of the Defense Intelligence Agency (DIA); representatives of the Secretary of the Treasury, the Federal Bureau of Investigation, and the Atomic Energy Commission.*

****Members are: The Assistant to the President for National Security Affairs (Chairman), the Under Secretary of State for Political Affairs, the Deputy Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and the DCI.*

In his letter to me of 15 October, Chairman Murphy outlined a number of specific subjects which he wished me to address in my statement and in follow-up studies of the Commission. I have generally keyed the following remarks to the numbered sections of that letter.

(1) Authority

The National Security Act of 1947, certain additional legislation, and the National Security Council Directives provided for in law are the authorities under which the national intelligence program operates. The legislation is currently being re-evaluated by the Congress, and it may be that some modifications will be made. To the extent that any changes further limit the national intelligence activities in which the DCI is interested to the field of foreign intelligence, and to the extent that they require the reporting of foreign intelligence activities on a regular basis to certain members of the Congress, I would welcome them. The public should be as free as possible from concern about the operations of our national foreign intelligence program.

The National Security Council Directives which I mentioned are currently under evaluation to determine whether an unclassified version can be written. This would help to eliminate any possible misunderstanding about the existence of a "secret charter" for CIA or the Intelligence Community. At the same time, some classified directives will be necessary to specifically implement the unclassified guidance of the open directives.

I do not view subordination to the NSC as different from subordination to the President. The NSC historically has played different roles in foreign policy and national security affairs under different Presidents. But no President in recent times has been willing to function without access to good intelligence -- whether by direct contact with appropriate agencies or through the NSC system.

The responsibilities of some of the agencies of the Intelligence Community to produce both "departmental"

and "national" intelligence are not in conflict. In fact, they are mutually supporting. The military services, for instance, have intelligence arms which provide the tactical intelligence necessary to support the operational forces. They also contribute information and analysis to those in the Community who work on "national" level problems. A study is now underway to determine how these programs can better support each other for both substantive benefit and possible resource savings.

The DCI's responsibility to "protect intelligence sources and methods from unauthorized disclosure" is basically a responsibility without authority. I do not view it as giving any authority beyond the right to call the attention of the appropriate prosecuting authority to any cases of unauthorized disclosure. In this regard I confess great concern at the absence of any effective statutes to prevent or punish the unauthorized disclosure of sensitive intelligence matters. It was only by civil action based upon his pre-employment secrecy agreement that an ex-employee was prevented from revealing a number of delicate matters in a book which he had written. (U.S. vs. Marchetti, 466 F. 2d 1309, 1316). This decision is being tested again.

Aside from this particular weakness of the statutes, I see no need for particular new authority to carry out an effective intelligence program. The "services of common concern" mandate in the current law is adequate, though of course there are always minor negotiations between agencies about the kind and quality of service to be performed.

You have asked whether section 102 (d) (5) of the National Security Act, which provides that the CIA shall perform such other functions and duties related to intelligence affecting the national security as the NSC may from time to time direct, is too broad and open-ended. This is currently being considered in Congress. I would offer that this provision has been used only when specifically directed by the NSC under Presidential authority, that every President since 1947 has used it, and that the shape of the world today seems to require its use much less often than in the more critical of the cold war years. I do not believe that this weapon should be lightly discarded from our national arsenal.

Section 102 (e) of the 1947 Act, which gives the CIA the right to see the foreign intelligence of all of the departments

and agencies, is a key factor in molding a group of intelligence agencies into a community. Without that right, there could be no single source of intelligence advice which accounted for the variety of available facts, and the policy-maker would be buried in a confusion of uncorrelated reports and analyses about major problems and events.

(2) Requirements

The principal customer of our national intelligence program is, of course, the President. But his key advisors and officers need also to be informed (i.e., the Assistant to the President for National Security Affairs, the Secretaries of State, Defense, Treasury, and so on). Their requirements are a compilation both of their expressed needs and of the Intelligence Community's judgment about what they might need.

There are a variety of techniques for refining such requirements. The USIB and the DCI have established and continually review a formal list of relatively constant major requirements. Crisis requirements are generally conveyed to the proper action arm of the Community as a result of my participation in the Washington Special Action Group (WSAG) which meets regularly and keeps me informed of activities which might benefit from intelligence support.

In non-crisis situations, requirements for information come to the Intelligence Community in a wide variety of effective but not necessarily orderly ways. On a daily basis, policy-oriented analysts are in contact with intelligence analysts and make their needs known in that context. Through the requirements staffs of each intelligence agency, collection components can be tasked. Formal requests for specific facts or analyses also come by letter or telephone from USIB principals, Cabinet members, and the NSC/National Security Advisor level. Policymaker feedback to the Intelligence Community on intelligence problems below the first level of priority, or in non-crisis situations, generally does not give a clear enough signal about how much collection and analytical effort the Intelligence Community should expend on a specific subject. The Community tasks itself when this is the case.

(3) (12) Performance and Resources, Budgets

The DCI has no authority to determine the budget and manpower needs of the various agencies in the Intelligence Community. Each component goes through an independent program and budget development process (in the case of State and DOD intelligence programs there are department-wide guidances and constraints which apply apart from intelligence considerations). Each component has an independent review by the OMB. Each component receives from the Congress an appropriation which is under its full control. The program proposed by each component to the Congress is reviewed, however, by the Intelligence Community (IC) Staff of the DCI. From IC staff suggestions, IRAC deliberations, and USIB requirements, the DCI formulates his National Foreign Intelligence Program Budget Recommendations for the President.

The major resource problem facing the Community is inflation; first in manpower costs, but in all other aspects of our profession as well. The problem can be stated in this way:

a. assuming level manpower, level program size, and continued inflation, the resources for intelligence would have to increase by nearly 25 percent by 1978. This alternative would be unacceptable to the Congress.

b. assuming level dollars, a level program, and inflation offset by manpower reductions, a 40 percent cut in manpower would be required by 1978. The Community could not take such a cut and continue to meet its obligations.

c. assuming level dollars, level manpower, and continued inflation, there would have to be a drastic and unacceptable cut in our investment in technical systems for the future and in procurement.

The solution to the dilemma posed above lies in the hands of the President and the Congress. We can help by

reducing our breadth of coverage -- by keying on the most important issues and cutting activities and area coverages which do not contribute directly to the resolution of the highest priority problems. It is the job of the DCI to advise the government as to what constitutes a sufficiency of resources -- in dollar terms, in terms of the systems the dollars will support, and most importantly in terms of major substantive need.

(4) Evaluation

Evaluation of the performance of the Intelligence Community is a relatively untapped field. For years evaluative efforts have been made within the Community itself, but as I have suggested above, we have not had a strong standard of pre-established user requirements against which to measure ourselves. As a consequence, measurements of effectiveness have usually been taken during or following some crisis which might or might not have been of prior concern to policymakers. Our reviews under such circumstances have been mixed. At the same time, on such "constants" as SALT verification and MBFR support we would get high marks.

I have asked my Intelligence Community Staff to concentrate heavily on the development of a method to evaluate our performance. I hope to establish standards and to have regular measurement of the effectiveness of all aspects of the profession underway within a year:

(5) Other Intelligence Activities

Foreign counterintelligence activity is designed to protect the U.S. government and the private sector from penetration or manipulation by the intelligence services of other countries. It is our defensive arm, and in this respect it is an important adjunct to the conduct of foreign policy.

In general, intelligence activities in support of operational military forces are subject to direction from the Joint Chiefs of Staff (JCS) and the Unified and Specified Commanders in the field. The information collected by these activities is of use mainly to the forces in the field. It

updates their contingency planning for war and affects their state of readiness. There is some spin-off value to foreign policy intelligence needs from these activities, however. This is particularly true, for example, during negotiations for peace, for detente, and in the MBFR context. Data provided by some basically force-related systems becomes part of a larger data base used by analysts who must furnish background to negotiators.

(6) Special Programs

The cryptologic programs of the various agencies are coordinated by the National Security Agency (NSA). Each of the military service cryptologic agencies receives a budget to support a program which it plans in response in two sets of guidances -- one essentially related to support of the operational forces, and the other designed to satisfy "national" needs. The Director of NSA is responsible for technical direction and support to the service cryptologic agencies, for the tasking of those agencies for national level objectives, and for the production of cryptologic intelligence in support of national security and foreign policy objectives.

In general, other advanced technological collection programs are managed jointly by the DCI and the Secretary of Defense. Naturally there is concern for both substantive requirements and resource constraints.

Studies are now underway to determine the degree to which it is possible for intelligence-related technical collection systems to support similar but non-intelligence information needs elsewhere in the government. In the past some systems, such as the U-2 aircraft, have been used to support snowpack studies in the American west and to photograph hurricane, earthquake and flood damage for national emergency relief and economic planning purposes.

(7) Reports and Estimates

Virtually all of the major questions of concern to American foreign policy today involve political, economic,

military and other factors. It is essential for good intelligence assessments to reflect this variety. In the past, the ultimate analytical medium was the National Intelligence Estimate. In recent years there have been a variety of other NSC-inspired forms which also required the best analysis. In an effort to account for this change and to make the intelligence process which I described earlier more responsive to policymaker information requirements, I have recently established a new group of "National Intelligence Officers" (NIOs) for specific subject areas. Their job will be to enlist all elements of the Intelligence Community in the development of the best possible assessments of the intelligence questions facing the government. I have instructed that Community reports and estimates be independent of policy pressure and objective in tone and content. They will also incorporate minority or adverse views when these exist.

I do not believe that agencies should handle research and analysis entirely apart from collection and operations, or in ignorance of the policy formulation and implementation process. If anything, the interdependence of policymaking, analysis, and collection should be increased so that collection and analysis are focused more precisely on user needs and profit more from user experience. Foreign policy and national security concerns arise in a dynamic environment -- one in which collectors and decisionmakers are active. To divorce analysis from this environment would reduce and slow its flow of information and minimize its utility. At the same time, control over the substantive content of analytical responses to policy questions should not be vested in the policymaker except with respect to substantive requirements and the timing and format of responses. From time to time analysts remind policymakers of this distinction.

(8) Emerging Needs

Any answer to this question must, of course, be given in classified testimony. It is clear, however, that the intelligence questions facing our nation in the 70s are different from those of the more extreme days of the Cold War. New needs are arising which require intelligence support

in the fields of economics, narcotics, and international terrorism. These new needs are reflected in the overall guidance being developed for the Community.

(9) Oversight and Accountability

The DCI is responsible in detail to the authority of four committees of the Congress -- the two Armed Services Committees and the two Appropriations Committees -- under the rules established in each House. In addition, he provides regular substantive briefings to a number of other committees. In the Executive Branch, he is responsible for substantive matters to the National Security Council and the President, and for budget and management matters to OMB and the President. He is responsive to the substantive requirements of the Secretaries of State, Defense, and other agencies with foreign intelligence interest, and the activities of the Intelligence Community are subject to their evaluation. All activities in which CIA and the rest of the Intelligence Community engage are subject to review in detail by the President's Foreign Intelligence Advisory Board.

As the Chairman of the Armed Services Committee said in 1949 when he reported to the Senate the Central Intelligence Agency Act,

"Ours will perhaps be the only Government having a law providing for such an activity. Other governments simply appropriate a disguised sum of money, without any authority of law, to handle the matter through some government official. We are writing the whole law out.... We are not doing what other countries do. We are throwing every possible democratic safeguard around it as we go along."

In testimony during my confirmation hearings, I indicated that it is for the Congress to decide whether there should be legislative changes in the authorities over foreign intelligence activities. It is a persistent dilemma for the government to determine to what degree the public

should be informed about intelligence activities. The policy of the Intelligence Community is to be as forthcoming as possible while protecting the basic elements of secrecy which are necessary if we are to be effective.

(10) Controls

All intelligence operations stem from a variety of authorities. The NSC's "Forty Committee" controls foreign operations. By Presidential letter the Ambassador has overall authority over operations in the country to which he is posted. He is kept aware of operational activity in his country.

(11) Personnel

There are no cross-Community personnel procedures over which the DCI has control. The individual components of the Community establish their own professional criteria. In testimony at my confirmation hearings I included a report on CIA's recruitment activity (see pages 185-186). While improvements can be made, there are no special legislative needs at this time.

In answer to the second part of your question, let me say that I believe that compartmentation is not a serious restraint upon the exchange of ideas within the Intelligence Community. Usually "compartments" are used to protect sources and methods rather than facts themselves. Need-to-know is the guiding factor in the protection of information. Those who work on a problem at the highest level have ready access to information they need. They must only show that the kind of information which they seek is key to their analysis, and that their project will be used by a policymaking level sufficiently high to warrant the inclusion of compartmented intelligence.

(13) Overseas Establishment

Control and coordination of foreign intelligence activities overseas is not a serious problem. The Ambassador is charged by the President to direct and coordinate the activities and operations of all elements at his mission. He actively directs overt information collection and reporting activities. Subject to his authority, the senior CIA

representative in a foreign post is responsible for the coordination of other foreign intelligence activities there.

With very rare exception, close and effective relationships exist between all members of the country team. If there are problems which are particularly difficult to resolve in the field, they are worked out in Washington. The question of effectiveness in the field is under constant evaluation at the agency, Community, and user level. Coordination, however, is not a major problem with respect to the effectiveness of foreign intelligence activities.

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MEMORANDUM FOR: [REDACTED]

The attached statement will go to the
DCI this afternoon. The NSC Staff concurred
after the covering memo was typed. Only
minor changes were made in the last section
of the paper.

Thank you. Good
Job. [REDACTED]

11/2/73

(DATE)

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